



**North Carolina Department of Health and Human Services
Division of Mental Health, Developmental Disabilities and
Substance Abuse Services**

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Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

Michael Moseley, Director

July 1, 2004

MEMORANDUM

TO: Area Program Directors
Area Program Quality Improvement Staff
Area Program Provider Relations Staff
Area Program Service Management Staff

FROM: Michael Moseley

THROUGH: Flo Stein, Chief, Community Policy Management Section

RE: **Implementation of Permanent Rules 10A NCAC 27G .0600 Regarding LME
Monitoring of Facilities and Services (SB163)**

The purpose of this memo is to inform area programs/LMEs of changes that go into effect July 1, 2004 as a result of replacing the temporary rules for monitoring service providers with permanent rules 10A NCAC 27G .0600. These changes affect:

- (1) Providers' and LMEs' response to and reporting of incidents
- (2) Requirements for LMEs' response to complaints about service provision
- (3) Requirements for LMEs regarding local monitoring of licensed and unlicensed service providers

The DMH/DD/SAS is developing several forms and tools to assist LMEs in implementing the permanent rules. However, until those are completed, each section below contains "Interim Steps" that will satisfy the requirements of the new permanent rules.

It is the responsibility of the LMEs to ensure that all providers of publicly funded mh/dd/sa services in their catchment areas are aware of these new requirements.

Incident Response and Reporting

The permanent rules regarding incident response change the current one-level critical incident system into a three-level incident system, as follows:

- (1) Level I incidents that the provider must respond to and document internally.
- (2) Level II incidents that the provider must respond to and report within 72 hours to the LME.



- (3) Level III incidents that the provider must respond to and report within 72 hours to the LME, to the DMH/DD/SAS Quality Management Team and, if licensed under G.S. 122-C, to the DFS Complaint Intake Unit.

A group of LME, provider and consumer representatives has been working with the DMH/DD/SAS to develop a standardized form for reporting Level II and III incidents. Based on feedback about a draft form that was circulated among stakeholders, further work is needed to ensure that the form facilitates clear, consistent interpretation and reporting of incidents at each level. The draft form should not be used for reporting of incidents. The DMH/DD/SAS will continue consulting with the workgroup to finalize and distribute a final version of the new form in the upcoming quarter.

Interim Steps

- A. To report Level II incidents, service providers should continue to send the current *Critical Incident and Death Reporting Form (Form QM-01)* to the LME responsible for the geographic area where the service is provided.
- B. To report Level III incidents, providers should send a copy of Form QM-01 to:
 - The LME responsible for the geographic area where the service is provided,
 - The DMH/DD/SAS Quality Management Team, and
 - If licensed under G.S.122-C, to the DFS Mental Health Licensure and Certification Section.
- C. Providers should note in the “Description of Incident” box on page 2 of Form QM-01 whether the event is a Level II or Level III Incident.

Level II incidents include all “critical incidents” listed on Form QM-01 that do not meet the criteria for Level III below.

Level III incidents include:

- Consumer deaths from accident, suicide, homicide or other violence and deaths that occur within 7 days of seclusion or restraint,
 - Incidents that result in permanent physical or psychological impairment to a consumer, or caused by a consumer, and
 - Incidents that create a threat to public safety caused by a consumer.
- D. Reporting the deaths listed under Level III incidents on Form QM-01 to the DMH/DD/SAS and, if licensed under G.S. 122-C, to the Division of Facility Services (DFS) also satisfies the requirements of 10A NCAC 26C .0300 Report of Death to DHHS.
 - E. LMEs should continue to report aggregate information on incidents to the DMH/DD/SAS quarterly. The DMH/DD/SAS will revise the quarterly incident report template, once the new incident form is complete.

Complaint Response

Major changes to the rules regarding complaint response include ensuring that:

- (1) Consumers are informed of the complaint process concerning the provision of public services
- (2) Complaints are resolved locally and informally whenever possible
- (3) LMEs refer complaints to the DHHS whenever the LME is a party to the complaint
- (4) LMEs refer complaints regarding licensure issues to the appropriate regulatory agency.

As the local hub for complaints, LMEs are responsible for developing policies and procedures to facilitate receiving and responding to complaints in an effective and timely manner. The DMH/DD/SAS Advocacy and Customer Services Section is currently developing policy guidelines for registering consumer complaints about service termination or reduction and violations of client rights. These guidelines will be forthcoming in a future Director’s Communication Bulletin from DMH/DD/SAS.



The permanent rules require LMEs to report aggregate information about complaints to the DMH/DD/SAS on a quarterly basis. The DMH/DD/SAS will develop a reporting template and guidelines for this in the upcoming quarter.

Interim Steps

- A. For each complaint received, the LME should track the source of the complaint, type of complaint, the LME's actions regarding the complaint, and whether the complaint is resolved to the satisfaction of the complainant.

Local Monitoring of Providers

The permanent rules regarding local monitoring of providers require LMEs to develop policies and procedures for monitoring publicly funded 122-C licensed providers and unlicensed providers operating in their catchment areas. The DMH/DD/SAS has been working with DFS, LME, and provider representatives to develop a toolkit to guide LME monitoring efforts. This toolkit will include:

- (1) A Confidence Assessment Grid to determine the frequency and extent of monitoring for each provider,
- (2) Guidelines for completing the Confidence Assessment Grid using a Review Resource Guide, and
- (3) A Local Monitoring Tool.

The permanent rules require LMEs to report aggregate information about monitoring activities to the DMH/DD/SAS on a quarterly basis. The DMH/DD/SAS will develop a reporting template and guidelines for this in the upcoming quarter.

Interim Steps

- A. The LMEs are not required to use the current Provider Monitoring Checklist as a monitoring tool. Although it may be used until the toolkit is completed, LMEs are prohibited from duplicating or superceding the regulatory authority or functions of DHHS during monitoring activities.
- B. LMEs should continue to report their provider monitoring activities on the current Monthly Provider Monitoring Report form until a revised form is distributed. The tables about completed monitoring activities (*Follow up on Previous Monitoring* and *Explanation for Unresolved Deficiencies*) should be submitted as in the past. The first table of the form (*Planned Monitoring Activities*) may be omitted.

Questions regarding implementation of the permanent rules should be directed to:

Quality Management Team: (919) 733-0696 or ContactDMHQuality@ncmail.net

Accountability Team: (919) 881-2446 or Jim.Jarrard@ncmail.net

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